

BellSouth Telecommunications, Inc.
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Nashville, Tennessee 37201-3300

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REC'D TH
REGULATORY AUTH.

 **BELLSOUTH**

1999 AUG 16 PM 2 27
Guy M. Hicks
General Counsel

August 16, 1999
EXECUTIVE SECRETARY

VIA HAND DELIVERY

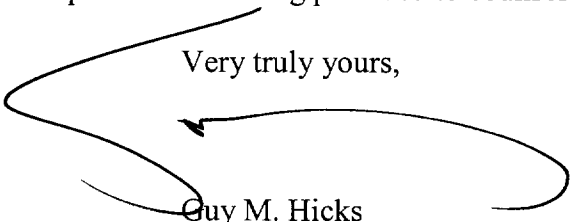
David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Proceeding for the Purpose of Addressing Competitive Effects of Contract Service
Arrangements Filed by BellSouth Telecommunications, Inc. in Tennessee*
Docket No. 98-00559

Dear Mr. Waddell:

Enclosed are fourteen copies of Exhibits 2 and 3 to the Substituted Direct Testimony of Randall L. Frame. These exhibits were inadvertently omitted when Mr. Frame's Substituted Testimony was filed on Friday, August 13. These exhibits are identical to the exhibits filed with Mr. Frame's original testimony. Copies are also being provided to counsel of record.

Very truly yours,



Guy M. Hicks

GMH:ch
Enclosure

REC'D TH
REGULATORY AUTH.

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IX. TERMINATION LIABILITY

If [REDACTED] desires to terminate this V&T Agreement prior to its expiration, [REDACTED] must provide BellSouth written notice of such termination ninety (90) days prior to the effective date of termination. Termination liability will be in accordance with the following:

A. If written notice of termination is delivered to BellSouth to be effective at the end of a Contract Year, BellSouth will bill [REDACTED] the following termination charges:

(1) End of Contract Year 1 - \$350,000

(2) End of Contract Year 2 - \$350,000

B. If written notice of termination is delivered to BellSouth to be effective prior to the end of the current V&T Contract Year, BellSouth will bill [REDACTED] the appropriate termination charges calculated in A. above, in addition to an amount equal to the difference between the current Contract Year to date billing for V&T Eligible billing and the current year Minimum Annual Revenue Base.

C. The application of termination charges pursuant to this Section shall not affect the application of termination charges pursuant to the tariff or any other agreement.

E. Customer further acknowledges that it has options for its telecommunication services from providers other than BellSouth and that it has chosen BellSouth to provide the services described in this Agreement. Accordingly, Customer agrees that in the event it transfers this Agreement to an alternative local service provider, such transfer shall be deemed a termination of this Agreement and BellSouth shall bill [REDACTED] all appropriate termination charges applicable to a termination of the Agreement.

X. BUSINESS CHANGE

In the event of a Business Change as defined herein which significantly reduces the volume of network services required by [REDACTED] and those subsidiaries listed in Appendix III, with the result that [REDACTED] is unable to meet its Minimum Annual Revenue Base under this Agreement (notwithstanding [REDACTED] best efforts to avoid such a shortfall), BellSouth and [REDACTED] shall cooperate in efforts to develop a mutually agreeable alternative that will reduce [REDACTED] liability

agrees to reduce [REDACTED] Minimum Annual Revenue Base, the Annual Revenue Base and the corresponding Discount Levels to the extent of the shortfall resulting from the price reduction(s).

XIII. RATE ASSURANCE

A. If [REDACTED] is offered a service proposal from an unauthorized carrier that is comparable both in rate and in level of support provided by BellSouth for any V&T Eligible Service which is priced at least fifteen percent (15%) less than those provided to [REDACTED] by BellSouth then these services may be considered for a price reduction. [REDACTED] shall provide BellSouth written notice of the service proposal, and sufficient information to validate the terms and rates of the offer and the option to respond to the alternative proposal.

B. BellSouth shall respond, in writing, within seven (7) calendar days as to whether or not BellSouth will pursue a new rate for [REDACTED]. If BellSouth chooses to respond with a new rate offer, BellSouth will require an additional thirty (30) days to submit to [REDACTED] the new rate.

C. In the event BellSouth elects to respond to the offering from the alternative carrier and offers [REDACTED] a service proposal with rates that are within ten percent (10%) of the alternative carrier's competitive offering, this Agreement shall continue in effect at the new customized rate and charges until the expiration of the V&T Agreement. The parties shall amend the Minimum Annual Revenue Base, the Annual Revenue Base and the corresponding Discount Levels listed in Appendix II to reflect the rate reduction and any other portions of the Agreement necessary to effect this Rate Assurance Adjustment.

D. If BellSouth elects not to respond to the offer from the alternative carrier or does not offer [REDACTED] a service proposal with rates that are within ten percent (10%) of the alternative carrier's competitive offering, the parties shall amend Appendix IA, Appendix IB and Appendix II and any other pertinent provisions of this Agreement as necessary to reduce [REDACTED] Minimum Annual Revenue Base, the Annual Revenue Base and the corresponding Discount Levels listed in Appendix II, if necessary, to permit [REDACTED] to purchase the services in question from the alternative carrier.

XIV. ANNUAL TRUE-UP

CERTIFICATE OF SERVICE

I hereby certify that on August 16, 1999, a copy of the foregoing document was served on the parties of record, via the method indicated:

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Richard Collier, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0500

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
414 Union Ave., #1600
P. O. Box 198062
Nashville, TN 39219-8062

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Jon Hastings, Esquire
Boult, Cummings, et al.
414 Union St., #1600
Nashville, TN 37219

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Charles B. Welch, Esquire
Farris, Mathews, et al.
511 Union St., #2400
Nashville, TN 37219

- ☐ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

James Lamoureux, Esquire
AT&T
1200 Peachtree St., NE
Atlanta, GA 30309

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

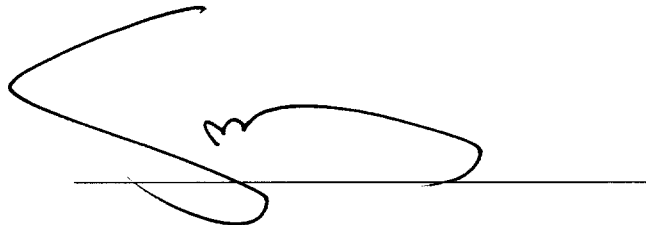
Vance Broemel, Esquire
Consumer Advocate Division
426 5th Avenue, N., 2nd Floor
Nashville, TN 37243

- ☒ Hand
- ☒ Mail
- ☐ Facsimile
- ☐ Overnight

Carolyn Tatum Roddy, Esquire
Sprint Communications Co., L.P.
3100 Cumberland Circle, N0802
Atlanta, GA 30339

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Val Sanford, Esquire
Gullett, Sanford, et al.
230 4th Ave., N., 3rd Fl.
P. O. Box 198888
Nashville, TN 37219-8888

A handwritten signature in black ink, appearing to be 'Val Sanford', is written over a horizontal line. The signature is stylized with a large, sweeping initial 'V' and a cursive 'S'.